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PART - VI

Acts of Parliament and Ordinances promulgated by the President

LEGISLATIVE AND PARLIAMENTARY AFFAIRS DEPARTMENT

Sachivalaya, Gandhinagar, 18th March, 2026

No. RPB/Act-35/2025/E:- The Following Act of Parliament is republished for general information:-

Government of India
Ministry of Law and Justice
Legislative Department

New Delhi, the 16th December, 2025/Agrahayana 25, 1947 (Saka)

The following Act of Parliament received the assent of the President on the 15th December, 2025 and is hereby published for general information:-

THE HEALTH SECURITY *SE* NATIONAL SECURITY CESS ACT, 2025

NO. 35 OF 2025

[15*th December,* 2025.]

An Act to augment the resources for meeting expenditure on national security and for public health, and to levey a cess for the said purposes on the machines installed or other processes undertaken by which specified goods are manufactured or produced and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Seventy-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title and commencement.

1. (*1*) This Act may be called the Health Security *se* National Security Cess Act, 2025.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Definitions.

2. In this Act, unless the context otherwise requires,—

(*a*) "adjudicating authority" means the concerned proper officer appointed or authorised under the respective provisions to pass orders under this Act after adjudication, but does not include the Board, the revisional authority and the appellate authority;

(*b*) "appellate authority" means an authority appointed or authorised to hear appeals under section 29;

(*c*) "Appellate Tribunal" means the Customs, Excise and Service Tax Appellate Tribunal constituted under section 129 of the Customs Act, 1962; 52 of 1962.

(*d*) "Board" means the Central Board of Indirect Taxes and Customs constituted under section 3 of the Central Boards of Revenue Act, 1963; 54 of 1963.

(*e*) "cess" means the Health Security *se* National Security Cess levied under section 4;

(*f*) "factory" means any premises, including the precincts thereof, wherein or in any part of which—

(*i*) the specified goods are manufactured; or

(*ii*) any manufacturing process connected with the production of the specified goods are being carried on or is ordinarily carried on;

(*g*) "machine" for the purposes of manufacture or production of the specified goods includes all types of Form, Fill and Seal Machines and Profile Pouch Making Machines, by whatever name called, whether vertical or horizontal, with or without collar, single track or multi-track, and any other type of packing machine used for packing of the specified goods in pouches, tins or other containers;

(*h*) "manufacture" includes—

(*i*) any process incidental or ancillary to the completion of the specified goods; and

(*ii*) the process of packing or repacking of such goods in a pouch or tin or other container or labelling or re-labelling thereof including the declaration or alteration of retail sale price on it or adoption of any other treatment on the goods to render the specified goods marketable to the consumer,

whether or not such process is the only process undertaken;

(*i*) "notification" means a notification published in the Gazette of India and the expression "notify" with its grammatical variation and cognate expressions shall be construed accordingly;

(*j*) "pan masala" means goods falling under tariff item 2106 90 20 of the First Schedule to the Customs Tariff Act, 1975; 51 of 1975.

(*k*) "prescribed" means prescribed by rules made under this Act;

(*l*) "proper officer" means any officer of the Central Government entrusted with such powers or assigned with specific functions under the provisions of this Act by the Board;

(*m*) "process" means any manual, mechanical, electrical, electronic, automated or hybrid operation, or any other activity by which the specified goods are manufactured or produced, whether wholly or in part;

(*n*) "revisional authority" means an authority appointed or authorised under section 28 for revision of an order of the adjudicating authority;

(*o*) "Schedule" means a Schedule annexed to this Act;

(*p*) "specified goods" means the goods as specified in Schedule I to this Act or such other goods as the Central Government may, by notification, specify;

(*q*) "State" includes a Union territory with Legislature;

(*r*) "taxable person" shall mean a person referred to in section 3; and

(*s*) "weight" means the maximum weight of the specified goods that is capable of being packaged in each pouch, tin or other container by the relevant machine or process.

CHAPTER II

TAXABLE PERSON

Taxable person.

3. (*1*) For the purposes of this Act, "taxable person" means any person who owns, possesses, operates, manages, or is otherwise in control of the machine or undertakes any process by which specified goods are manufactured or produced, whether directly or through job-workers, employees, hired labour, or through any other person acting on his behalf under any arrangement.

(*2*) A person shall be treated as a taxable person under this section irrespective of whether he has opted for, or is availing of, any composition scheme, concessional levy, or any other alternate scheme of taxation applicable to the specified goods, under any law for the time being in force.

(*3*) For the purposes of this section,—

(*a*) the ownership, possession, or control over the machine or processes shall be sufficient to constitute a person as a taxable person, irrespective of the actual quantity manufactured;

(*b*) where a machine or process, is owned, possessed, leased, hired or otherwise placed at the disposal of one or more persons manufacturing or producing the specified goods, every such person shall be regarded as a taxable person; and

(*c*) where the production or manufacture of the specified goods are divided into stages or processes carried out by different persons, such person undertaking the final process that results in the completion or rendering of the specified goods marketable, shall be deemed to be the taxable person.

CHAPTER III

HEALTH SECURITY *SE* NATIONAL SECURITY CESS

Levy and collection of cess.

4. (*1*) There shall be levied and collected a cess, to be called Health Security *se* National Security Cess, from every taxable person, on the machines installed or other processes undertaken by him for the manufacture or production of the specified goods referred to in Schedule I, at the amount specified in Schedule II and computed in the manner provided in section 5.

(*2*) The cess leviable under sub-section (*1*) shall be in addition to any other duties or taxes chargeable on the specified goods under any law for the time being in force.

(*3*) If the Central Government is satisfied that it is necessary in the public interest so to do, it may, by notification, exempt any taxable person or a class of taxable persons, unconditionally or subject to such conditions, from the whole or any part of the cess leviable under this section for such period as may be specified in the said notification.

Manner of computation of cess.

5. (*1*) The cess referred to in section 4 shall be computed in accordance with the provisions of this section based on the relevant process, speed of the machine or capacity of other processes and the weight of the specified goods packed in pouch, tin or other container, as the case may be, as declared by the taxable person and, where applicable, as verified or calibrated by the proper officer under section 9, and on the amount specified in Schedule II for such combination of process, speed or capacity and weight.

(*2*) Where the specified goods are manufactured or produced wholly or partly with the aid of a machine, the cess shall be levied and collected from the taxable person—

(*a*) with reference to the maximum rated speed of the machine measured in number of pouches, tins or containers per minute;

(*b*) for the corresponding weight of the specified goods packed in a pouch, tin or container;

(*c*) at the monthly amount of cess specified in column (4) in Table 1 of Schedule II against such rated speed and weight provided therein.

(*3*) The cess payable under section 4 shall be the aggregate of cess calculated under sub-section (*2*) for each of the machines installed in a factory of the taxable person and where such taxable person owns, possesses, leases or otherwise controls machines installed in more than one factory, the cess shall be computed separately for each such factory.

(*4*) Where the specified goods are manufactured or produced by a taxable person wholly by manual process without the aid of a machine, the cess shall be levied and collected from the taxable person for each factory at the monthly amount specified in column (4) in Table 2 of Schedule II, irrespective of the capacity of such manual process or the weight of the specified goods packed in a pouch, tin or container.

(*5*) For the purposes of sub-section (*4*), a taxable person shall be deemed to be engaged in the manufacture or production of the specified goods wholly by manual process without the aid of a machine only where no machine capable of performing, assisting, or completing any part of the process of manufacture or production of the specified goods is installed in the factory of the taxable person.

(*6*) The cess determined under sub-section (*2*) or sub-section (*4*) shall be payable for each month or part thereof and shall be subject to such abatement or other conditions, as may be prescribed.

(*7*) Where any machine or manual process unit remains inoperative for a continuous period of fifteen days or more, the cess computed under this section shall, subject to such conditions, as may be prescribed, be abated proportionately for the period of such non-operation.

Power of Central Government to increase amount of cess in special circumstances.

6. (*1*) Where the Central Government is satisfied that it is necessary in the public interest so to do, it may, by notification, direct in respect of such specified goods that the amount of cess specified in column (4) in Table 1 of Schedule II and in column (4) in Table 2 of the said Schedule, shall be increased to such amount, not exceeding twice the amount so specified, for such period as may be specified in the notification.

(*2*) The provisions of this Act shall apply to the cess, as increased under this section, as they apply to the cess specified in Schedule II.

Purpose of levy of cess.

7. (*1*) The cess shall be levied for the purposes of meeting expenditure on the national security of India and for public health.

(*2*) The proceeds of the cess levied under section 4 shall first be credited to the Consolidated Fund of India and the Central Government may, after due appropriation made by Parliament by law in this behalf, utilise such sums of money of the cess for the purposes specified in sub-section (*1*), as it may consider necessary.

(*3*) For the purposes of utilisation of the cess, the Central Government may specify such activities, schemes and programmes for national security or, as the case may be, for public health, as may be prescribed.

CHAPTER IV

REGISTRATION AND RETURNS

Registration, cancellation and revocation.

8. (*1*) Every taxable person who owns, possesses, leases or otherwise controls a machine installed or a process undertaken in a factory, shall register himself with the jurisdictional proper officer in such manner as may be prescribed.

(*2*) The proper officer may, either on his own motion or on an application filed by the registered person, or by his legal heirs in case of death of such person, cancel the registration, in such manner and within such period, as may be prescribed, having regard to the circumstances where,—

(*a*) the business has been discontinued, or transferred fully for any reason including death of the proprietor, or amalgamated with other legal entity, or demerged, or otherwise disposed of; or

(*b*) there is any change in the constitution of the business; or

(*c*) the taxable person is no longer liable to be registered under this section.

(*3*) The proper officer may, after giving a reasonable opportunity of being heard, cancel the registration of a taxable person from such date, as he may deem fit, where,—

(*a*) a registered person has contravened any of the provisions specified in section 18; or

(*b*) a registered person has not furnished returns for six consecutive calendar months; or

(*c*) registration has been obtained by means of fraud, wilful misstatement or suppression of facts.

(*4*) The cancellation of registration under sub-section (*2*) or sub-section (*3*) shall not affect the liability of the person to pay cess and other dues under this Act or to discharge any other obligation under this Act or the rules made thereunder, for any period prior to the date of such cancellation, whether or not such cess and other dues are determined before or after the date of the cancellation.

(*5*) Subject to such conditions as may be prescribed, any taxable person, whose registration is cancelled by the proper officer on his own motion, may apply to such officer for revocation of cancellation of the registration in such form and manner, as may be prescribed, within a period of thirty days from the date of service of the cancellation order and upon receiving such application, the proper officer may, in such manner and within such period, as may be prescribed, and after giving a reasonable opportunity of being heard, by order, either revoke the cancellation of registration or reject the application.

Declaration to be filed by taxable person.

9. (*1*) Every taxable person shall, in respect of machine installed or process undertaken in such factory, furnish a self-declaration in such form, manner and within such time, as may be prescribed, containing the particulars of the machines installed or processes undertaken for the manufacture or production of the specified goods, together with the parameters relevant for computation of the cess, including the maximum rated speed, weight of packing, nature of packing and such other technical or operational particulars, as may be prescribed.

(*2*) Where any parameter relevant for the computation of the cess undergoes any change, the taxable person shall furnish a fresh self-declaration under sub-section (*1*) within such time, form and manner, as may be prescribed.

(*3*) In case of installation, addition or commencement of operation of any machine or process, the taxable person shall furnish the self-declaration referred to in sub-section (*2*) within fifteen days of such installation, addition or commencement.

(*4*) The declaration in sub-section (*1*) shall be subject to calibration, verification and confirmation by the proper officer, with the approval of an officer not below the rank of Joint Commissioner, in such form, manner and within such time, as may be prescribed and the parameters so verified and confirmed shall be considered for the computation of cess under section 5.

(*5*) No calibration, verification or confirmation under sub-section (*4*) shall be made by the proper officer without giving the taxable person a reasonable opportunity of being heard.

(*6*) Every taxable person shall comply with such oversight, monitoring or verification mechanisms, whether technological, operational or audit-based, as may be prescribed, to ensure the integrity and accuracy of reporting in relation to the manufacture or production of the specified goods.

Payment of cess and returns.

10. (*1*) The cess levied under section 4 shall be collected from every taxable person at the beginning of each month, but not later than the 7th day of that month, in such manner as may be prescribed.

(*2*) Every taxable person shall, for every calendar month or part thereof, self-assess the cess payable under section 4 and furnish a return, in such form, manner, within such time, and subject to such conditions and restrictions, as may be prescribed.

(*3*) The Board may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing the returns under this section for such class of taxable persons as may be specified therein.

(*4*) Where any taxable person, after furnishing a return under sub-section (*2*), discovers any omission or incorrect particulars therein, other than as a result of any action in this behalf by the proper officer, he shall rectify such omission or incorrect particulars in such form and manner, as may be prescribed, subject to payment of interest, if any, under this Act.

(*5*) Where a taxable person fails to furnish a return under sub-section (*2*), a notice shall be issued by the proper officer requiring him to furnish such return within fifteen days in such form and manner, as may be prescribed.

(*6*) No taxable person shall furnish a return for any calendar month after the expiry of a period of two years from the due date for furnishing such return.

CHAPTER V

AUDIT AND ASSESSMENT

Scrutiny and assessments.

11. (*1*) The proper officer may scrutinise the return and related particulars furnished by the registered taxable person to verify the correctness of the return and inform him of the discrepancies noticed, if any, in such manner, as may be prescribed, and seek his explanation thereto and in case—

(*a*) the explanation so given is found acceptable, the taxable person shall be informed accordingly and no further action shall be taken in this regard;

(*b*) no satisfactory explanation is furnished within a period of thirty days of being informed by the proper officer or such further period, as may be permitted by him, or where the taxable person, after accepting the discrepancies, fails to take the corrective measure in his return for the month in which the discrepancy is accepted, the proper officer may initiate appropriate action in accordance with the provisions of this Act.

(*2*) Where a taxable person fails to furnish the return under section 10, either on his own motion or in response to a notice issued, the proper officer may proceed to assess the liability of cess of the said person to the best of his judgement, taking into account all the relevant material which is available or which he has gathered and issue an assessment order within a period of five years from the end of the month to which the cess not paid relates.

(*3*) Where a taxable person fails to obtain registration, or whose registration has been cancelled but who was liable to pay cess, the proper officer may proceed to assess the liability of the cess payable by such taxable person to the best of his judgment for the relevant calendar month and issue an assessment order within a period of five years from the end of the month to which the cess not paid relates.

(*4*) No assessment order shall be passed under sub-section (*2*) or sub-section (*3*) by the proper officer without giving the taxable person a reasonable opportunity of being heard.

Audit.

12. (*1*) The proper officer not below the rank of a Commissioner or any other officer authorised by him may, by way of a general or special order, undertake audit of any registered taxable person for such period, at such frequency and in such manner, as may be prescribed.

(*2*) The officers referred to in sub-section (*1*) may conduct audit in their office or at the place of business of the registered taxable person.

(*3*) The registered taxable person shall be informed by way of a notice not less than fifteen working days prior to the conduct of audit in such manner as may be prescribed.

(*4*) The audit under sub-section (*1*) shall be completed within a period of three months from the date of commencement of such audit.

(*5*) Where the proper officer referred to in sub-section (*1*) is satisfied that the audit in respect of such registered taxable person cannot be completed within the period of three months, he may, for the reasons to be recorded in writing, extend the said period by a further period not exceeding six months.

(*6*) For the purposes of this sub-section, the expression, "commencement of audit" shall mean the date on which the records and other documents called for by the proper officer, are made available by the registered taxable person or the actual institution of audit at the office of the proper officer or at the place of business of such registered taxable person, whichever is later.

(*7*) During the course of audit, the proper officer may require the registered taxable person—

(*a*) to afford him the necessary facility to verify the books of account or other documents as he may require; and

(*b*) to furnish such information as he may require and render necessary assistance for timely completion of the audit.

(*8*) On conclusion of audit, the proper officer shall, within thirty days, inform the registered taxable person, whose records are audited, about the findings, his rights and obligations and the reasons for such findings.

(*9*) Where the audit conducted under sub-section (*1*) results in detection of cess not paid or short paid or erroneously refunded, the proper officer may initiate action under section 16.

Power to summon persons to give evidence and produce documents.

13. (*1*) The proper officer under this Act shall have power to summon any person whose attendance he considers necessary, either to give evidence or to produce a document or any other thing, in any inquiry in the same manner, as provided in the case of a Civil Court under the provisions of the Code of Civil Procedure, 1908.

5 of 1908.

(*2*) Every such inquiry referred to in sub-section (*1*) shall be deemed to be a "judicial proceeding" within the meaning of section 193 and section 267 of the Bharatiya Nyaya Sanhita, 2023. 45 of 2023.

Access to business premises.

14. (*1*) Any officer under this Act, authorised by the proper officer not below the rank of a Joint Commissioner, shall have access to any place of business of a taxable person to inspect books of account, documents, computers, computer programs, computer software, whether installed in a computer or otherwise, and such other things as he may require and which may be available at such place, for the purposes of carrying out any audit, scrutiny, verification and checks, as may be necessary to safeguard the interest of revenue.

(*2*) Every person in charge of the place referred to in sub-section (*1*) shall, on demand, make available to the officer authorised under sub-section (*1*), or the audit party deputed by the proper officer,—

(*a*) such records as prepared or maintained by the taxable person and declared to the proper officer in such manner as may be prescribed;

(*b*) trial balance or its equivalent;

(*c*) statements of annual financial accounts, duly audited, wherever required;

(*d*) cost audit report, if any, under section 148 of the Companies Act, 2013; 18 of 2013.

(*e*) the income-tax audit report, if any, under section 44AB of the Income-tax Act, 1961; and 43 of 1961.

(*f*) any other relevant record, for the scrutiny by such officer or audit party, within a period not exceeding fifteen working days from the day when such demand is made, or such further period as may be allowed by the said officer or the audit party.

Officers to assist proper officers.

15. (*1*) All officers of police, railways, customs and those officers engaged in the collection of land revenue, including village officers, officers of the State Governments and Union territory Administrations shall assist the proper officer in the implementation of this Act.

(*2*) The Central Government may, by notification, empower and require any other class of officers to assist the proper officers in the implementation of this Act when called upon to do so.

Determination of cess not paid or short paid or erroneously refunded.

16. (*1*) Where it appears to the proper officer that any cess has not been paid or short paid or erroneously refunded, he shall serve notice on the taxable person chargeable with cess which has not been so paid or which has been so short paid or to whom the refund has erroneously been made due to any lapse on the part of the taxable person, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 17 and a penalty leviable under the provisions of this Act or the rules made thereunder.

(*2*) No notice under sub-section (*1*) shall be issued, if the cess which has not been paid or short paid or erroneously refunded in a financial year is less than one thousand rupees.

(*3*) The proper officer shall issue the notice under sub-section (*1*) within a period of twenty-four months from the due date for furnishing of return for the month to which the cess not paid or short paid relates to or within a period of twenty-four months from the date of erroneous refund.

(*4*) Where a notice has been issued for any calendar month under sub-section (*1*), the proper officer may serve a statement, containing the details of cess not paid or short paid or erroneously refunded for such periods other than those covered under the said sub-section, on the taxable person chargeable with cess.

(*5*) The service of the statement referred to in sub-section (*4*) shall be deemed to be the service of notice on the taxable person under sub-section (*1*), subject to the condition that the grounds relied upon for such month other than those covered under sub-section (*1*) are the same as are mentioned in the earlier notice.

(*6*) In case of the cess which has not been paid or short paid or erroneously refunded, the penalty—

(*a*) for any reason, other than the reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be equivalent to ten per cent. of the cess due from such taxable person or ten thousand rupees, whichever is higher;

(*b*) for the reason of fraud or any wilful misstatement or suppression of facts to evade cess, shall be equivalent to the cess due from such person.

(*7*) The proper officer shall, after considering the representation, if any, made by the taxable person chargeable with cess, determine the amount of cess, interest and penalty due from such person and issue an order within a period of twelve months from the date of issuance of notice specified in sub-section (*4*).

(*8*) Where the proper officer referred to in sub-section (*7*) is not able to issue the order within the period specified in the said sub-section, another proper officer, not below the rank of Commissioner or an officer, not below the rank of a Joint Commissioner, authorised by him, may, having regard to the reasons to be recorded in writing for delay in issuance of the order under the said sub-section before the expiry of the specified period, extend the said period for a further period not exceeding six months.

(*9*) Where any cess has not been paid or short paid or erroneously refunded, other than the reason of fraud or any wilful misstatement or suppression of facts to evade cess, the taxable person chargeable with cess may,—

(*a*) before service of notice under sub-section (*1*), pay the amount of cess along with interest payable under section 17 of such cess on the basis of his own ascertainment of such cess or the cess as ascertained by the proper officer and inform the proper officer in writing of such payment, who shall, on receipt of such information, not serve any notice under sub-section (*1*) or the statement under sub-section (*4*), as the case may be, in respect of the cess so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(*b*) pay the said cess along with interest payable under section 17 within a period of sixty days from the date of receipt of show cause notice by him, and on doing so, no penalty shall be payable and all proceedings in respect of the said notice shall be deemed to be concluded.

(*10*) Where any cess has not been paid or short paid or erroneously refunded by reason of fraud, or any wilful misstatement or suppression of facts to evade cess, the taxable person chargeable with cess, may,—

(*a*) before service of notice under sub-section (*1*), pay the amount of cess along with interest payable under section 17 and a penalty equivalent to fifteen per cent. of such cess on the basis of his own ascertainment of such cess, or the cess as ascertained by the proper officer, and inform the proper officer in writing of such payment and the proper officer, on receipt of such information, shall not serve any notice under the said sub-section, in respect of the cess so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(*b*) pay the said cess along with interest payable under section 17 and a penalty equivalent to twenty-five per cent. of such cess within a period of sixty days from the date of receipt of the notice, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded;

(*c*) pay the cess along with interest payable thereon under section 17 and a penalty equivalent to fifty per cent. of such cess within a period of sixty days of the date of receipt of the order, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded.

(*11*) Where the proper officer is of the opinion that the amount paid under clause (*a*) of sub-section (*9*) or clause (*a*) of sub-section (*10*) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (*1*) in respect of such amount which falls short of the amount actually payable.

(*12*) Notwithstanding anything contained in clause (*a*) or clause (*b*) of sub-section (*9*), the penalty under clause (*a*) of sub-section (*6*) shall be payable, where any amount of self-assessed tax or any amount collected as cess has not been paid within a period of thirty days from the due date of payment of such cess.

Interest payable on delay in payment of cess.

17. (*1*) Every person who is liable to pay cess in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the cess or any part thereof to the Central Government within the specified period, shall, for the period for which the cess or any part thereof remains unpaid, pay on his own, interest at the rate of fifteen per cent. per annum.

(*2*) The interest under sub-section (*1*) shall be calculated, in such manner as may be prescribed, from the day succeeding the day on which such tax was due to be paid.

CHAPTER VI

OFFENCES AND PENALTIES

Penalty for certain contraventions.

18. (*1*) Where a taxable person who—

(*a*) owns, operates or in control of any machine or process for the purpose of manufacture or production of the specified goods without declaring to the proper officer under this Act; or

(*b*) fails to pay the cess levied under section 4 beyond a period of three months from the date on which such payment becomes due under section 10; or

(*c*) fails to furnish returns as required under section 10 or falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information or declaration or return with an intention to evade payment of cess due under the said section; or

(*d*) fraudulently obtains refund of cess; or

(*e*) obstructs or prevents any officer in discharge of his duties under this Act; or

(*f*) is liable to be registered under this Act but fails to obtain registration; or

(*g*) fails to furnish information or documents called for by an officer in accordance with the provisions of this Act or the rules made thereunder, or furnishes false information or documents during any proceedings under this Act; or

(*h*) tampers with, or destroys any material evidence or document; or

(*i*) disposes of or tampers with any goods that have been seized under this Act,

the proper officer may, after making such inquiry as he deems fit, impose on such taxable person in addition to the cess leviable, a penalty of ten thousand rupees or an amount equivalent to the cess payable or cess sought to be evaded, or the refund claimed fraudulently, whichever is higher.

(*2*) Any person who aids or abets any of the contraventions specified in clauses (*a*) to (*i*) of sub-section (*1*) shall be liable to a penalty which may extend to one hundred thousand rupees.

(*3*) Any order imposing any such penalty shall be passed by the proper officer only after giving the taxable person a reasonable opportunity of being heard.

Punishment for certain contraventions.

19. (*1*) Whoever commits or causes to commit and retains any benefit arising out of contraventions specified in clause (*a*) or clause (*b*) or clause (*c*) or clause (*d*) of sub-section (*1*) of section 18 shall be punishable in cases where the amount of cess evaded or the amount of refund wrongly taken—

(*a*) exceeds five hundred lakh rupees, with imprisonment for a term which may extend to five years or with fine, or with both; or

(*b*) exceeds two hundred lakh rupees but does not exceed five hundred lakh rupees, with imprisonment for a term which may extend to three years or with fine, or with both; or

(*c*) exceeds one hundred lakh rupees but does not exceed two hundred lakh rupees, with imprisonment for a term which may extend to one year or with fine, or with both.

(*2*) Whoever commits or causes to commit and retains any benefit arising out of contraventions specified in clause (*f*) or clause (*i*) of sub-section (*1*) of section 18, or abets the commission of an offence specified in the said sub-section, shall be punishable with imprisonment for a term which may extend to six months or with fine, or with both.

(*3*) Whoever, convicted for an offence under this section is again convicted for an offence under this section, he shall be punishable for the second and for every subsequent offence with imprisonment for a term which may extend to five years or with fine, or with both.

(*4*) The Court may, for special and adequate reasons to be recorded in the judgment, sentence any person to imprisonment under sub-section (*1*) or sub-section (*3*), for a term less than six months.

46 of 2023.

(*5*) Notwithstanding anything contained in the Bharatiya Nagarik Suraksha Sanhita, 2023, all offences under this Act, except the offences referred to in sub-section (*6*) shall be non-cognizable and bailable.

(*6*) The offences specified in clause (*a*) or clause (*b*) or clause (*c*) or clause (*d*) of sub-section (*1*) of section 18 shall be cognizable and non-bailable.

(*7*) No person shall be prosecuted for any offence under this section except with the previous sanction of the proper officer, not below the rank of Commissioner.

Offences by companies.

20. (*1*) Where an offence committed by a person under this Act is a company, every person who, at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

(*2*) Notwithstanding anything contained in sub-section (*1*), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any negligence on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

(*3*) Where an offence under this Act has been committed by a taxable person being a partnership firm or a limited liability partnership or a Hindu undivided family or a trust, the partner or *karta* or managing trustee shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly and the provisions of sub-section (*2*) shall, *mutatis mutandis*, apply to such persons.

(*4*) Nothing contained in this section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

Explanation.—For the purposes of this section,—

(*a*) "company" means a body corporate and includes a firm or other association of individuals; and

(*b*) "director", in relation to a firm, means a partner in the firm.

Cognizance of offences.

21. No Court shall take cognizance of any offence punishable under this Act or the rules made thereunder except with the previous sanction of the proper officer, not below the rank of Commissioner, and no court inferior to that of a Magistrate of the first class, shall try any such offence.

Presumption of culpable mental state.

22. In any prosecution for an offence under this Act which requires a culpable mental state on the part of the accused, the Court shall presume the existence of such mental state but it shall be a defence for the accused to prove the fact that he had no such mental state with respect to the act charged as an offence in that prosecution.

Explanation.—For the purposes of this section,—

(*a*) the expression "culpable mental state" includes intention, motive, knowledge of a fact, and belief in, or reason to believe, a fact;

(*b*) a fact is said to be proved only when the court believes it to exist beyond reasonable doubt and not merely when its existence is established by a preponderance of probability.

Compounding of offences.

23. (*1*) Notwithstanding anything contained in the Bharatiya Nagarik Suraksha Sanhita, 2023, any offence under this Act, not being an offence punishable with imprisonment only, or with imprisonment and also with fine, may, either before or after the institution of prosecution, be compounded by a proper officer, not below the rank of Commissioner, on payment, by the person accused of the offence, to the Central Government of such compounding amount in such manner as may be prescribed. 46 of 2023.

(*2*) The option of compounding shall not be available to a person—

(*a*) who has been allowed to compound once in respect of any of the offences specified in clauses (*a*) to (*f*) of sub-section (*1*) of section 18 and the offences which are relatable to the said specified offences;

(*b*) who has been allowed to compound once in respect of any offence, other than those in clause (*a*), under this Act, the cess exceeding one crore rupees;

(*c*) a person who has been accused of committing an offence under this Act which is also an offence under any other law for the time being in force;

(*d*) a person who has been convicted for an offence under this Act by a Court; and

(*e*) any other class of persons or offences, as may be prescribed.

(*3*) Any compounding shall be allowed only after making payment of cess, interest and penalty involved in such offences and shall not affect the proceedings, if any, instituted under any other law for the time being in force.

(*4*) The amount for compounding of offences under this section shall be such, as may be prescribed, subject to the minimum amount not being less than ten thousand rupees or fifty per cent. of the cess involved, whichever is higher, and the maximum amount not being less than thirty thousand rupees or one hundred and fifty per cent. of the cess, whichever is higher.

(*5*) On payment of such compounding amount as may be determined by the proper officer, no further proceedings shall be initiated under this Act against the accused person in respect of the same offence and any criminal proceedings, if already initiated in respect of the said offence, shall stand abated.

CHAPTER VII

INSPECTION, SEARCH AND SEIZURE

Power of inspection, search and seizure.

24. (*1*) Where the proper officer, not below the rank of Joint Commissioner, has reasons to believe that any taxable person is manufacturing or producing the specified goods without complying with the provisions of this Act or the rules made thereunder, he may authorise, in writing, any officer not below the rank of Assistant Commissioner subordinate to him to inspect any places of business of the taxable person or warehouse or godown, where the specified goods so manufactured or produced are stored.

(*2*) Where the proper officer referred to in sub-section (*1*), either pursuant to an inspection carried out under sub-section (*1*) or otherwise, has reasons to believe that the specified goods or machines liable to confiscation or any documents or books or things, which in his opinion, shall be useful for or relevant to any proceedings under this Act, are secreted in any place, he may authorise, in writing, any other proper officer to search and seize, or may himself search and seize such goods, machines, documents or books or things.

(*3*) Where it is not practicable to seize any such goods or machine, the proper officer, or any officer authorised by him, may serve on the owner or the custodian of such goods an order that he shall not remove, part with, or otherwise deal with such goods except with the previous permission of such officer.

(*4*) The documents or books or things so seized shall be retained by such officer only for so long as may be necessary for their examination and for any inquiry or proceedings under this Act.

(*5*) The documents, books or things referred to in sub-section (*2*) or any other documents, books or things produced by a taxable person or any other person, which have not been relied upon for the issue of notice under this Act or the rules made thereunder, shall be returned to such person within a period not exceeding thirty days of the issue of the said notice.

(*6*) The officer authorised under sub-section (*2*) shall have the power to seal or break open the door of any factory or to break open any almirah, electronic device, box, receptacle in which the specified goods, accounts, registers or documents of the person are suspected to be concealed, where access to such factory, almirah, electronic devices, box or receptacle is denied.

(*7*) The person from whose custody any documents are seized under sub-section (*2*) shall be entitled to make copies thereof or take extracts therefrom in the presence of an authorised officer at such place and time as such officer may indicate in this behalf except where making such copies or taking such extracts may, in the opinion of the proper officer, prejudicially affect the investigation.

(*8*) The goods or machines so seized under sub-section (*2*) shall be released, on a provisional basis, upon execution of a bond and furnishing of a security, in such manner and of such quantum, respectively, as may be prescribed, or on payment of applicable cess, interest and penalty payable, as the case may be.

(*9*) Where any goods or machines are seized under sub-section (*2*) and no notice in respect thereof is given within six months of the seizure of such goods, such goods shall be returned to the person from whose possession they were seized.

(*10*) The period of six months specified in sub-section (*7*) may, on sufficient cause being shown, be extended by the proper officer for a further period not exceeding six months.

(*11*) The proper officer may, with the prior permission of the Board, having regard to the perishable nature of the specified goods, depreciation in its value or machines with the passage of time, constraints of storage space for such goods or machines or any other relevant considerations, may, as soon as may be after its seizure under sub-section (*2*), dispose of such goods or machines in such manner as may be prescribed.

(*12*) Where the specified goods or machines, being items specified under sub-section (*11*), have been seized by a proper officer, or any officer authorised by him under sub-section (*2*), he shall prepare an inventory of such goods or machines in such manner as may be prescribed.

(*13*) The provisions of the Bharatiya Nagarik Suraksha Sanhita, 2023, relating to search and seizure, shall, so far as may be, apply to search and seizure under this section subject to the modification that sub-section (*5*) of section 185 of the said Sanhita shall have effect as if for the word "Magistrate", wherever it occurs, the word "Commissioner" were substituted. 46 of 2023.

(*14*) Where the proper officer has reasons to believe that any person has evaded or is attempting to evade the payment of any cess, he may, for reasons to be recorded in writing, seize the accounts, registers or documents of such person produced before him and shall grant a receipt for the same, and shall retain the same for so long as may be necessary in connection with any proceedings under this Act or the rules made thereunder for prosecution.

Confiscation of specified goods or machines.

25. (*1*) Where any taxable person—

(*a*) owns, operates or controls any machine installed or undertakes any process for the manufacture or production of the specified goods in contravention of any of the provisions of this Act or the rules made thereunder with intent to evade payment of cess; or

(*b*) contravenes any of the provisions of this Act or the rules made thereunder with intent to evade payment of cess; or

then, all such goods or machines shall be liable to confiscation and the person shall be liable to penalty under section 18.

(*2*) Whenever confiscation of any such goods or machines are authorised by this Act, the officer adjudging it shall give to the owner of such goods or machines an option to pay *in lieu* of confiscation, such penalty as specified under sub-section (*3*) as the said officer thinks fit.

(*3*) The penalty leviable under sub-section (*2*) shall not exceed the market value of the specified goods or the machines confiscated, less the cess chargeable thereon.

(*4*) The aggregate of penalty under sub-section (*2*) and penalty leviable shall not be less than the penalty equal to two hundred per cent. of the cess payable on such goods.

(*5*) No order for confiscation of the specified goods or machines for imposition of penalty shall be issued without giving the person a reasonable opportunity of being heard.

(*6*) Where the specified goods or machines are confiscated under this Act, the title of such goods or machines shall thereupon vest in the Central Government.

(*7*) The proper officer who confiscates any goods or machine under this section shall take and hold possession of the things confiscated and every officer of police, on the requisition of such proper officer, shall assist him in taking and holding such possession.

(*8*) The proper officer may, after satisfying himself that the confiscated goods or machines are not required in any other proceedings under this Act and after giving reasonable time not exceeding a period of three months to pay the fine *in lieu* of such confiscation, dispose of such goods or conveyance and deposit the sale proceeds thereof with the Central Government.

Power to arrest.

26. (*1*) Where a proper officer, not below the rank of Commissioner, has reasons to believe that a person has committed any offence specified in clause (*a*) or clause (*b*) or clause (*c*) or clause (*d*) of sub-section (*1*) of section 18 which is punishable under the said sub-section or sub-section (*3*) of the said section, he may, by order, authorise any other proper officer below him to arrest such person.

(*2*) Where a person is arrested under sub-section (*1*) for an offence specified under sub-section (*5*) of section 19, the officer authorised to arrest the person shall inform such person of the grounds of arrest and produce him before a Magistrate within twenty-four hours.

(*3*) Subject to the provisions of the Bharatiya Nagarik Suraksha Sanhita, 2023,— 46 of 2023.

(*a*) where a person is arrested under sub-section (*1*) for any offence specified under sub-section (*5*) of section 19, he shall be admitted to bail or in default of bail, be forwarded to the custody of the Magistrate;

(*b*) in the case of a non-cognizable and bailable offence, the proper officer not below the rank of Assistant Commissioner shall, for the purpose of releasing an arrested person on bail or otherwise, have the same powers and be subject to the same provisions as an officer-in-charge of a police station.

Recovery of amount due and assistance of officers.

27. (*1*) Any amount due under this Act (including any interest or penalty) from any taxable person may be recovered in the same manner as an arrear of land revenue.

(*2*) All officers of police, central tax and customs and all officers of the Central Government and the State Government engaged in the collection of land revenue, and all village officers are hereby empowered and required to assist the proper officer in the execution of this Act.

CHAPTER VIII

REVISION AND APPEALS

Revision.

28. (*1*) The revisional authority, not below the rank of a Commissioner, authorised in this behalf, by an order of the Board, may, on his own motion, or upon information received by him, call for and examine the record of any proceedings, and if he considers that any order passed under this Act by any officer subordinate to him is erroneous in so far as it is prejudicial to the interest of revenue, or is illegal or improper, or has not taken into account certain material facts, whether available at the time of issuance of the said order or not, or in consequence of an observation by the Comptroller and Auditor-General of India, he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the person concerned an opportunity of being heard and after making such further inquiry as may be necessary, pass such order, as he thinks just and proper, including enhancing or modifying or annulling the said order.

(*2*) The revisional authority shall not exercise any power under sub-section (*1*), if—

(*a*) the order has been subject to an appeal under section 29 or section 30; or

(*b*) the period specified under sub-section (*1*) of section 29 has not yet expired or more than two years have expired after the passing of the order sought to be revised; or

(*c*) the order has already been taken up for revision under this section at an earlier stage; or

(*d*) the order was passed in exercise of the powers under sub-section (*1*).

(*3*) The revisional authority may pass an order under sub-section (*1*) on any point which has not been raised and decided in an appeal referred to in clause (*a*) of sub-section (*2*), before the expiry of a period of one year from the date of the order in such appeal or before the expiry of a period of two years referred to in clause (*b*) of that sub-section, whichever is later.

(*4*) Every order passed in a revision under sub-section (*1*) shall, subject to the provisions of section 30 or section 32 or section 33, be final and binding on the parties.

(*5*) If the order subject to revision under sub-section (*1*) involves an issue on which the Appellate Tribunal or the High Court has given its decision in some other proceedings and an appeal to the High Court or the Supreme Court against such decision of the Appellate Tribunal or the High Court is pending, the period spent between the date of the decision of the Appellate Tribunal and the date of the decision of the High Court, or the date of the decision of the High Court and the date of the decision of the Supreme Court, shall be excluded in computing the period of limitation referred to in clause (*b*) of sub-section (*2*) where proceedings for revision have been initiated by way of issue of a notice under this section.

(*6*) Where the issuance of an order under sub-section (*1*) is stayed by the order of a Court or Appellate Tribunal, the period of such stay shall be excluded in computing the period of limitation referred to in clause (*b*) of sub-section (*2*).

(*7*) For the purposes of this section, the expression "record" shall include all records relating to any proceedings under this Act available at the time of examination by the revisional authority.

Appeals to appellate authority.

29. (*1*) Any taxable person aggrieved by any order of the adjudicating authority may, within a period of three months from the date of receipt of the order appealed against by such person, appeal to such appellate authority, not below the rank of a Commissioner, authorised in this behalf, by an order of the Board, in such form and manner, as may be prescribed.

(*2*) The proper officer, not below the rank of Commissioner, may on his own motion, call for and examine the record of any proceedings in which an adjudicating authority has passed any order under this Act, for the purpose of satisfying himself as to the legality or propriety of the such order and may, by order, direct any officer subordinate to him to apply to the appellate authority within six months from the date of communication of the order of the adjudicating authority for the determination of such points arising out of the said decision or order as may be specified by such proper officer in his order.

(*3*) Where, in pursuance of an order under sub-section (*2*), the authorised officer makes an application to the appellate authority, such application shall be dealt with by the appellate authority as if it were an appeal made against the decision or order of the adjudicating authority and such authorised officer were an appellant and the provisions of this Act relating to appeals shall apply to such application.

(*4*) Every appeal under this section shall be verified in such manner, as may be prescribed.

(*5*) No appeal shall be filed under sub-section (*1*), unless the appellant has paid—

(*a*) in full, such part of the amount of cess, interest, fine, fee and penalty arising from the impugned order, as is admitted by him; and

(*b*) a sum equal to ten per cent. of the remaining amount of cess in dispute arising from the said order, subject to a maximum of twenty-five crore rupees, in relation to which the appeal has been filed.

(*6*) Where the appellant has paid the amount under sub-section (*5*), the recovery proceedings for the balance amount shall be deemed to be stayed.

(*7*) The appellate authority shall give the appellant a reasonable opportunity of being heard.

(*8*) The appellate authority may, if sufficient cause is shown at any stage of hearing of an appeal, grant time to the parties or any of them and adjourn the hearing of the appeal for reasons to be recorded in writing.

(*9*) After the receipt of any appeal under this section, the appellate authority shall, after giving the appellant a reasonable opportunity of being heard in the matter and after making such further inquiry as may be necessary, pass such order, as he thinks just and proper, confirming, modifying or annulling the order appealed against but shall not refer the case back to the adjudicating authority that passed the said order.

(*10*) The order of the appellate authority disposing of the appeal shall be in writing and shall state the points for determination, the decision thereon and the reasons for such decision.

(*11*) The appellate authority shall, where it is possible to do so, hear and decide every appeal within a period of six months from the date on which it is filed.

Appeals to Appellate Tribunal.

30. (*1*) Any person aggrieved by an order of the appellate authority or revisional authority, may appeal to the Appellate Tribunal against such order in such form and manner, as may be prescribed, within a period of three months from the date of receipt of such order sought to be appealed against by him or by the proper officer, or, as the case may be.

(*2*) The Appellate Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or annulling the order appealed against, or may refer the case back to the proper officer who passed such order with such directions as it may think fit, for a fresh adjudication, after taking additional evidence, if necessary.

(*3*) The Appellate Tribunal may, at any time within a period of six months from the date of such order, with a view to rectify any mistake or error apparent on the face of the record or for any other sufficient reason, amend any order passed by it under sub-section (*1*) and shall make such amendments if the mistake is brought to its notice by the proper officer or the other party to the appeal.

(*4*) An amendment made under sub-section (*3*) which has the effect of enhancing an assessment or reducing a refund, or otherwise increasing the liability of the other party, shall not be made under this sub-section, unless the Appellate Tribunal has given notice to him of its intention to do so and has allowed him a reasonable opportunity of being heard.

(*5*) The Appellate Tribunal shall, where it is possible to do so, hear and decide every appeal within a period of three years from the date on which such appeal is filed.

(*6*) The Appellate Tribunal shall send a copy of every order passed under this section to the proper officer and the other party to the appeal.

(*7*) The provisions of sub-sections (*1*), (*2*), (*5*) and (*6*) of section 129C of the Customs Act, 1962, shall apply to the Appellate Tribunal in the discharge of its functions under this Act as they apply to it in the discharge of its functions under the Customs Act, 1962. 52 of 1962.

(*8*) The President or any other member of the Appellate Tribunal authorised in this behalf by the President may, sitting singly, dispose of any case which has been allotted to the Bench of which he is a member, where the amount of cess or fine or penalty involved, does not exceed fifty lakh rupees.

Appearance by authorised representative.

31. (*1*) Any person who is entitled or required to appear before an adjudicating authority or a revisional authority or the Appellate Tribunal in connection with any proceedings under this Act, otherwise than when required under this Act to appear personally for examination on oath or affirmation, may, subject to the other provisions of this section, appear by an authorised representative.

(*2*) For the purposes of this section, "authorised representative" means a person authorised by the person referred to in sub-section (*1*) to appear on his behalf, being—

(*a*) his relative or regular employee; or

(*b*) any legal practitioner who is entitled to practise in any Civil Court in India; or

(*c*) any person who has acquired such qualifications, as may be prescribed, for this purpose.

Appeal to High Court.

32. (*1*) Any person aggrieved by an order passed by the Appellate Tribunal may file an appeal to the High Court and the High Court may admit such appeal, if it is satisfied that the case involves a substantial question of law.

(*2*) An appeal under sub-section (*1*) shall be filed within a period of one hundred and eighty days from the date of receipt of the order appealed against by the aggrieved person and it shall be in such form and verified in such manner, as may be prescribed.

(*3*) Irrespective of sub-section (*2*), the High Court may entertain an appeal after the expiry of the period specified in the said sub-section, if it is satisfied that there was sufficient cause for not filing the appeal within such period.

(*4*) Where the High Court is satisfied that a substantial question of law is involved in any case, it shall formulate that question and the appeal shall be heard only on the question so formulated, and the respondents shall, at the hearing of the appeal, be allowed to argue that the case does not involve such question.

(*5*) The High Court may, for reasons to be recorded in writing, hear the appeal on any other substantial question of law not formulated by it, if it is satisfied that the case involves such question.

(*6*) The High Court shall decide the question of law so formulated and deliver such judgment thereon containing the grounds on which such decision is founded and may award such cost as it deems fit.

(*7*) The High Court may determine any issue, which—

(*a*) has not been determined by the Appellate Tribunal; or

(*b*) has been wrongly determined by the Appellate Tribunal, by reason of a decision on such question of law referred to in sub-section (*4*).

(*8*) Where an appeal has been filed before the High Court, it shall be heard by a Bench of not less than two Judges of the High Court, and shall be decided in accordance with the opinion of such Judges or of the majority, if any, of such Judges.

(*9*) Where the High Court delivers a judgment in an appeal filed before it under this section, effect shall be given to such judgment by either side on the basis of a certified copy of the judgment.

(*10*) Save as otherwise provided in this Act, the provisions of the Code of Civil Procedure, 1908, relating to appeals to the High Court shall, as far as may be, apply in the case of appeals under this section. 5 of 1908.

Appeals to Supreme Court.

33. (*1*) An appeal shall lie to the Supreme Court—

(*a*) from any order passed by the High Court; or

(*b*) from any judgment or order passed by the High Court in an appeal made under section 32 in any case which, on its own motion or on an application made by or on behalf of the party aggrieved, immediately after passing of the judgment or order, the High Court certifies to be a fit one for appeal to the Supreme Court.

(*2*) The provisions of the Code of Civil Procedure, 1908, relating to appeals to the Supreme Court shall, so far as may be, apply in the case of appeals under this section as they apply in the case of appeals from decrees of a High Court. 5 of 1908.

(*3*) Where the judgment of the High Court is varied or reversed in the appeal, effect shall be given to the order of the Supreme Court by either side on the basis of a certified copy of the said order.

CHAPTER IX

MISCELLANEOUS

Power of Central Government to amend Schedule I.

34. (*1*) The Central Government may, if it is of the opinion that it is expedient or necessary in the public interest so to do, by notification, add to Schedule I any goods and on any such notification being issued, the said Schedule shall be deemed to be amended accordingly.

(*2*) Every notification issued under sub-section (*1*) shall, as soon as possible after it is issued, be laid before each House of Parliament.

Power to make rules.

35. (*1*) The Central Government shall, by notification, make rules for carrying out the provisions of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(*a*) the abatement or other conditions subject to which the cess determined shall be payable under sub-section (*6*) of section 5;

(*b*) the conditions subject to which the cess shall be abated due to non-operation under sub-section (*7*) of section 5;

(*c*) the activities, schemes and programmes for national defence and security or public health for which the cess may be utilised under sub-section (*3*) of section 7;

(*d*) the form and manner of registration by a taxable person with the jurisdictional proper officer under sub-section (*1*) of section 8;

(*e*) the manner and the period within which the proper officer may cancel a registration under sub-section (*2*) of section 8;

(*f*) the form, manner and conditions subject to which taxable person may apply for revocation of cancellation of registration and the manner and the period within which the proper officer may decide upon the application for revocation of cancellation of registration under sub-section (*5*) of section 8;

(*g*) the form, manner and period within which self-declaration shall be furnished by the taxable person and the other technical or operational particulars to be contained in the said declaration under sub-section (*1*) of section 9;

(*h*) the period, form and manner for furnishing a revised declaration, for any change in the relevant parameters, by the taxable person under sub-section (*2*) of section 9;

(*i*) the form, manner and period within which the proper officer shall do the calibration, verification or confirmation of the declaration filed by the taxable person under sub-section (*4*) of section 9;

(*j*) the oversight, monitoring or verification mechanism to be complied with by the taxable person under sub-section (*6*) of section 9;

(*k*) the manner for collection of cess from taxable person under sub-section (*1*), and the form, manner, the period within which and the conditions and restrictions subject to which return shall be furnished by the taxable person under sub-section (*2*), of section 10;

(*l*) the form and manner of rectification of omission or incorrect particulars filled in the return by a taxable person under sub-section (*4*) of section 10;

(*m*) the form and manner of the notice issued by the proper officer to a taxable person who fails to furnish the return within the specified time under sub-section (*5*) of section 10;

(*n*) the manner of information to the taxable person of the discrepancies noticed in his return by the proper officer under sub-section (*1*) of section 11;

(*o*) the period, frequency and manner of audit to be undertaken by the proper officer under sub-section (*1*), and the manner in which the taxable person shall be informed of the said audit under sub-section (*3*), of section 12;

(*p*) the manner of declaration of preparation or maintenance of records to the proper officer by the taxable person under clause (*a*) of sub-section (*2*) of section 14;

(*q*) the manner of calculation of interest under sub-section (*2*) of section 17;

(*r*) the manner of compounding of offences by the proper officer under sub-section (*1*), and the offences or class of persons to whom compounding shall not be available under clause (*e*) of sub-section (*2*), of section 23;

(*s*) the amount for compounding of offences under sub-section (*4*) of section 23;

(*t*) the manner and quantum for execution of bonds or furnishing of security for release of seized goods or machines on provisional basis under sub-section (*8*) of section 24;

(*u*) the manner of disposal of goods or machines seized by the proper officer under sub-section (*11*), and the manner of preparation of inventory of the seized goods under sub-section (*12*), of section 24;

(*v*) the form and manner of preferring appeal to the appellate authority under sub-section (*1*), and the manner of verification of such appeal under sub-section (*4*), of section 29;

(*w*) the form and manner of preferring appeal to the Appellate Tribunal under sub-section (*1*) of section 30;

(*x*) the qualifications for a person for becoming an authorised representative under clause (*c*) of sub-section (*2*) of section 31;

(*y*) the form for appeals preferred by the aggrieved person before the High Court and the manner of verification of such appeal under sub-section (*2*) of section 32;

(*z*) any other matter which is to be or in respect of which provision is to be made, by rules for carrying out the provisions of this Act.

Laying before Parliament.

36. Every rule made and every notification issued under this Act shall be laid, as soon as may be after it is made or issued, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in such rule or notification, or both Houses agree that the rule should not be made or notification should not be issued, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.

Effect of amendments, etc., of rules, notifications or orders.

37. Where any rule, notification or order made or issued under this Act or any notification or order issued under such rule, is amended, repealed, superseded or rescinded, then, unless a different intention appears, such amendment, repeal, supersession or rescinding shall not—

(*a*) revive anything not in force or existing at the time at which the amendment, repeal, supersession or rescinding takes effect; or

(*b*) affect the previous operation of any rule, notification or order so amended, repealed, superseded or rescinded or anything duly done or suffered thereunder; or

(*c*) affect any right, privilege, obligation or liability acquired, accrued or incurred under any rule, notification or order so amended, repealed, superseded or rescinded; or

(*d*) affect any penalty, forfeiture or punishment incurred in respect of any offence committed under or in violation of any rule, notification or order so amended, repealed, superseded or rescinded; or

(*e*) affect any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid,

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed as if the rule, notification or order, as the case may be, had not been amended, repealed, superseded or rescinded.

Protection of action taken in good faith.

38. (*1*) No suit, prosecution or other legal proceeding shall lie against the Central Government or any officer of the Central Government for anything which is in good faith done or intended to be done, in pursuance of this Act or any rule made thereunder.

(*2*) No proceeding, other than a suit, shall be commenced against the Central Government or any officer of the Central Government for anything done or purported to have been done in pursuance of this Act or any rule made thereunder, without giving the Central Government or such officer a month's previous notice in writing of the intended proceeding and of the cause thereof or after the expiration of three months from the accrual of such cause.

Power to remove difficulties.

39. (*1*) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing the difficulty.

(*2*) No order shall be made under this section after the expiry of five years from the commencement of this Act.

(*3*) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

SCHEDULE I

[*See* sections 2(*o*) and (*p*) and 4(*1*)]

Sl. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
1.	2106 90 20	Pan masala
2.	Any other goods which may be notified	

Explanation.—

(*1*) In this Schedule, reference to a "tariff item", "heading", "sub-heading" and "Chapter", wherever they occur, shall mean respectively a tariff item, heading, sub-heading and Chapter in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(*2*) The rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), the section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this Schedule.

SCHEDULE II

[*See* sections 2(*o*), 4(*l*), 5 and 6]

TABLE 1

Applicable to wholly or partly machine-based process

Sl. No.	Number of pouches or tins or containers per minute (Maximum rated speed of machine)	Weight of the specified goods per pouch or tin or container	Amount of cess per month per machine (rupees in lakhs)
(1)	(2)	(3)	(4)
1.	Up to 500	Up to 2.5 grams	101.00
		Above 2.5 grams but below 10 grams	364.00
		Above 10 grams	849.00
2.	501 to 1000	Up to 2.5 grams	202.00
		Above 2.5 grams but below 10 grams	728.00
		Above 10 grams	1698.00
3.	1001 to 1500	Up to 2.5 grams	303.00
		Above 2.5 grams but below 10 grams	1092.00
		Above 10 grams	2547
4.	Above 1500	Up to 2.5 grams	101 x S/450
		Above 2.5 grams but below 10 grams	364 x S/450
		Above 10 grams	849 x S/450

TABLE 2

Applicable to wholly manual process

Sl. No.	Speed or capacity of process	Weight of the specified goods per pouch or tin or container	Amount of cess per month (rupees in lakhs)
(1)	(2)	(3)	(4)
1.	Any	Any	11

Notes:

(*l*) For the purposes of this Schedule, in Table 1 in column (4) of the table above, the term "S" represents maximum rated capacity of a machine.

(*2*) For the purposes of this Schedule, where a packing machine contains multiple tracks or multiple packing lines and, in addition to packing the specified goods in pouches, performs any supplementary processes such as moulding, shaping or otherwise giving a definite form to the pouches for brand distinction or for prevention of counterfeiting, two such tracks or lines shall be deemed to constitute one individual packing machine for the purpose of calculating the cess liability.

(*3*) The number of packing machines to be taken into account for computation of the cess specified in this Schedule shall be determined in accordance with the rules prescribed by the Central Government.

Sd/-

DR. RAJIV MANI,

Secretary to the Government of India.

By order and in the name of the Governor of Gujarat,

Sd/-

K. M. LALA,

Secretary to Government.

Government Central Press, Gandhinagar.

Signature Not Verified
Signed by : BHOLUSINGH G THAKUR
Senior Manager
Government Central Press, Gandhinagar
Date : 2026.04.02 21:50:43 IST